

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**Minutes
August 14, 2008
1:30 p.m.**

The regular meeting of the Tennessee Alcoholic Beverage Commission was held on Thursday, June 19, 2008 in Nashville, Tennessee at 1:30 p.m. Chairman John Jones, Commissioner Cynthia Bond and Commissioner Harlan Mathews were present. Executive Director Danielle Elks, Assistant Director Carolyn Smith and CLEO Mark Hutchens were present.

1. The Minutes for July 16, 2008 Commission Meeting were approved.

2. RETAIL

**A. RED BANK WINE & SPIRITS
RED BANK, TENNESSEE (HAMILTON COUNTY)**

Seller/Licensee:	Red Bank Wine and Spirits, LLC
Members:	Patrick Dugan
Applicant:	AJP Holdings, LLC
Members:	Allyn Pruitt

Before the Commission is a request for a transfer of ownership of the store located at 3849 Dayton Boulevard, Suite 113, in Red Bank, Tennessee. Ms. Allyn Pruitt intends to initially invest \$260,000 to operate the business and if approved, operate the business as a LLC. Financing is based upon a home equity line of credit, and then a subsequent line of credit against the inventory if approved. The lines of credit are with Northwest Georgia Bank. Purchase price for the business is \$260,000. The applicant is assuming the lease from the previous licensee, with Red Bank II, LLC as the landlord, with three years remaining on the lease. Monthly rent is \$3400/month. All documentation has been submitted, with the exception of the following:

- a. Use and Occupancy permit;
- b. Signature page for the lease assignment.

Discussion/Action Taken:

Allyn J. Pruitt was present at the meeting. Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the Use and Occupancy permit and the signature page for the lease assignment. Chairman Jones made a motion to approve upon submission of the pending documentation. Commissioner Bond seconded the motion and it was approved with 3 ayes.

**B. PORT ROYAL PACKAGE STORE
SPRING HILL, TENNESSEE (MAURY COUNTY)**

Applicant: Ashraf Girgies

Before the Commission is a request for new retail store to be located at 4910 East Port Royal Road, in Spring Hill, Tennessee. Ashraf Girgies wishes to initially invest \$60,000 to operate the business. If approved, the business will be operated as a sole proprietorship. Financing for the business is based upon existing personal funds from other businesses. Mr. Girgies is renting the property from Montgomery Turner for a period of five years, with monthly rent beginning at \$1625, and increasing to \$1808 over the term of the lease. All documentation has been submitted with the exception of the following:

- a. TABC Inspection and report;
- b. Acknowledgment of the rules/regulations;
- c. Use and Occupancy permit;
- d. Acknowledgment of new checking account for business and maintaining retail store separate from other businesses.

Discussion/Action Taken:

Ashraf Girgies was present at the meeting. Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the Use and Occupancy permit, and the acknowledgment of new checking account for business and maintaining retail store separate from other businesses. Commissioner Mathews made a motion to approve upon submission of the pending documentation. Commissioner Bond seconded the motion and it was approved with 3 ayes.

**C. HENRY'S EZ LIQUOR
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Applicant: Danny Henry

Before the Commission is a request for new retail store to be located at 5012 Highway 58, N in Chattanooga, Tennessee. Danny Henry wishes to initially invest \$75,000 to operate the business. If approved, the business will be operated as a sole proprietorship. Financing for the business is based upon existing personal funds and the sale of a home. Mr. Henry is leasing the property from Greyhaven Realty Management Company for a period of three years for \$2305.05/month. All documentation has been submitted.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval. Chairman Jones made a motion to approve upon submission of the pending documentation. Commissioner Mathews seconded the motion and it was approved with 3 ayes.

**D. RIVERSIDE WINE AND SPIRITS
CLARKSVILLE, TENNESSEE (MONTGOMERY COUNTY)**

Licensee: Beach Liquors, LLC
Stockholder: William and Katherine Beach

Before the Commission is a request for a transfer of location of the retail store currently located at 1058 S. Riverside Drive in Clarksville, Tennessee. The new proposed location would be 1206 Highway 48 in Clarksville, Tennessee. The licensee is currently leasing the property for the retail store, but desires to move to a location where they own the property. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Use and Occupancy permit;
- c. Lease from WKB Properties to Beach Liquors, LLC;
- d. Release from current landlord.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the TABC Inspection, Use and Occupancy permit and release from current landlord.

Commissioner Mathews made a motion to approve upon submission of the pending documentation. Commissioner Bond seconded the motion and it was approved with 3 ayes.

**E. PARIS LIQUORS AND WINE
PARIS, TENNESSEE (HENRY COUNTY)**

Licensee/Seller: Charlestons Wines and Spirits, LLC
Member: Harry Carothers, Jr.
Applicant/Buyer: Paris Liquor and Wine, LLC
Members: Kalpesh and Jayanti Patel

Before the Commission is a request for a transfer of ownership of the store located at 1417 East Wood Street, in Paris, Tennessee. Kalpesh and Jayanti Patel intend to purchase the business and property for \$465,000; if approved, they will operate the business as a LLC. Financing is based upon a loan with Security Bank and Trust, and personal funds. Once the sale is completed, the applicant LLC will be leasing the property from Kalpesh and Jayanti Patel for \$2500/month. All documentation has been submitted, with the exception of the following:

- a. Evidence the deed has been filed with the Register of Deeds Office;
- b. Loan agreement with Security Bank and Trust;
- c. Outstanding citations paid by Charlestons Wines and Spirits, LLC;
- d. TABC Inspection and report;
- e. Acknowledgement of the rules/regulations.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the Evidence the Deed has been filed with the Register of Deed's Office. Commissioner Bond made a motion to approve upon submission of the pending documentation. Commissioner Mathews seconded the motion and it was approved with 3 ayes.

**F. CHARLIE'S WINE AND SPIRITS
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Charlie Garavelli

Before the Commission is a request for a new retail store to be located at 2570 Kirby Whitten Road in Memphis, Tennessee. Mr. Garavelli intends to initially invest \$400,000 in the business, and if approved, operate the business as a sole proprietorship. Financing is based upon a loan with Trust One Bank. Mr. Garavelli will lease the property from Double A Oil Company, LLC for five years, with monthly rent beginning at \$4800, and increasing to \$6000 over the term of the lease. He is purchasing equipment from Gerald Alexander for \$106,600. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgment of the rules and regulations;
- c. Loan document with Trust One Bank;
- d. Amended bill of sale.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the following documentation:

- a. TABC Inspection;
- b. Acknowledgment of the rules and regulations;
- c. Loan document with Trust One Bank;
- d. Amended bill of sale.

. Commissioner Bond made a motion to approve upon submission of the pending documentation. Commissioner Mathews seconded the motion and it was approved with 3 ayes.

**G. OPEN SPIGOT
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)**

Licensee/Seller: Open Spigot Liquor, LLC
Members: Danny Wilson Spencer and Gene Hardeman

Before the Commission is a request for a transfer of location of the retail store currently located at 4901-B Bonny Oaks Drive in Chattanooga, Tennessee. Mr. Spencer wishes to move to 5958 Snow Hill Road, Suites 204-216 in Ooltewah, Tennessee. This request is based upon a change in traffic patterns and visibility which have negatively impacted business. (The proposed location has been annexed into the Chattanooga city limits.) The licensee will be leasing the property from Shiloh/Hedgecoxe for a period of ten years, with monthly rent beginning at \$11,388 and increasing to \$12,526.80. All documentation has been submitted with the exception of the following:

- a. Use and Occupancy permit;
- b. Release from current landlord.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the Use and Occupancy permit and the release from current landlord. Chairman Jones made a motion to approve upon submission of the pending documentation. Commissioner Mathews seconded the motion and it was approved with 3 ayes.

**H. 96 LIQUORS AND WINES
MURFREESBORO, TENNESSEE (RUTHERFORD COUNTY)**

Licensee:	Delta, Inc.
Stockholders:	Iqbal Kahlon, Gauttam Patel, Jessie Patel
Sellers:	Iqbal Kahlon and Jessie Patel

Before the Commission is a request for a transfer of stock from existing stockholders to an existing stockholder. In March, 2007, Jessie Patel was approved for 40% ownership in the business; however, problems arose. The stockholders now acknowledge that the sale was never completed; thus, Iqbal Kahlon and Gauttam Patel remained 50% owners. Gauttam Patel now wishes to purchase Mr. Kahlon's interest in the business and the property to become sole owner of the business. The purchase price is \$100,000. All documentation has been submitted with the exception of the following:

- a. Deed to property in Gauttam Patel's name when obtained.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the Deed to property in Gauttam Patel's name when it is obtained. Commissioner Mathews made a motion to approve upon submission of the pending documentation. Commissioner Bond seconded the motion and it was approved with 3 ayes.

**I. THE BOTTLE SHOP
GREENEVILLE, TENNESSEE (GREENE COUNTY)**

Licensee:	The Bottle Shop, Inc.
Stockholder:	Elfriede Mecke
New Stockholder:	Roy Mecke

Before the Commission is a request to transfer stock ownership of the existing licensee, The Bottle Shop, Inc. The sole stockholder of this licensee was Elfriede Mecke; however, on April 16, 2008. In her will, Ms. Mecke left 100% of her stock to her son, Roy Mecke, and the will has been probated. All documentation has been submitted.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval. Chairman Jones made a motion to approve upon submission of the pending documentation. Commissioner Bond seconded the motion and it was approved with 3 ayes.

**J. SOUTH SIDE WINE AND SPIRITS
HUMBOLDT, TENNESSEE (GIBSON COUNTY)**

Licensee/Seller:	Hensel's Investment, LLC
Members:	Lisa and Russell Hensel
Applicant/Buyer:	Russell Hensel

Before the Commission is a request to transfer stock ownership of the existing licensee, Hensel's Investment, LLC. The LLC was previously owned by Lisa and Russell Hensel. The parties are divorcing, and pursuant to the divorce decree, Mr. Hensel will retain ownership of the business upon securing proper financing. He is leasing the property to the applicant for a period of one year at \$850/month. All documentation has been submitted with the exception of the following:

- a. Deed;
- b. Loan agreement with Regions Bank and father.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval. Commissioner Bond made a motion to approve upon submission of the pending documentation. Commissioner Mathews seconded the motion and it was approved with 3 ayes.

**K. HARPETH LIQUORS
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**

Licensee/Seller:	Harpeth Liquors, Inc.
Stockholder:	Walter Bates
Applicant/Buyer:	Harpeth Liquors, Inc.
Stockholder:	Satish Kumar Patel

Before the Commission is a request to transfer stock ownership of the existing licensee, Harpeth Liquors, Inc. Satish Patel has purchased 95% of the stock of the existing corporate licensee, with Mr. Bates retaining 5%--this transaction, according to documentation submitted—occurred in 2006. Mr. Patel is now wishing to obtain the remaining 5%. The purchase price for the entire stock was \$255,000 including inventory. The documentation has now been submitted. Additional documentation to be submitted is as follows:

- a. Bank statements indicating source of \$250,000;
- b. TABC Inspection;
- c. Acknowledgement of the rules/regulations.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval. Commissioner Bond made a motion to approve upon submission of the pending documentation. Commissioner Mathews seconded the motion and it was approved with 3 ayes.

3. WINERIES

**A. CEDAR RIDGE WINERY
SPRINGVILLE, TENNESSEE (HENRY COUNTY)**

Applicant: Cedar Ridge Winery, LLC
Members: Bobby Belk and Eileen Holton

Before the Commission is a request for a new winery to be located at 415 W. Antioch, in Springville, Tennessee. Bobby Belk and Eileen Holton wish to initially invest \$50,000 to operate the winery. If approved, they would operate the winery as a LLC. Financing is based upon existing personal funds, and loans with First Citizens National Bank. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Deed to property;
- c. Acknowledgement of the rules/regulations.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval. Commissioner Mathews made a motion to approve upon submission of the pending documentation. Commissioner Bond seconded the motion and it was approved with 3 ayes.

**B. DELMONACO WINERY AND VINEYARDS, LLC
BAXTER, TENNESSEE (PUTNAM COUNTY)**

Applicant: Del Monaco Winery and Vineyards, LLC
Members: Barbara and David Del Monaco

Before the Commission is a request for a new winery to be located at 600 Lance Drive in Baxter, Tennessee. Barbara and David Del Monaco wish to initially invest \$300,000 to operate the winery. If approved, they would operate the winery as a LLC. Financing is based upon existing personal funds and a loan with Community Bank of the Cumberlands. The Del Monacos own the property, and are

leasing to the applicant LLC for a period of 25 years at \$2500/month. All documentation has been submitted with the exception of the following:

- a. TABC Inspection;
- b. Acknowledgement of the rules/regulations;
- c. Use and Occupancy permit;
- d. Actual loan agreement.

Discussion/Action Taken:

Director Elks reviewed the application to the Commissioners and recommended approval upon submission of the Use and Occupancy permit and a copy of the Actual loan agreement. Commissioner Mathews made a motion to approve upon submission of the pending documentation. Commissioner Bond seconded the motion and it was approved with 3 ayes.

4. SERVER/EMPLOYEE PERMITS

A. LINDL CAMPBELL

Mr. Campbell is appealing the decision of the TABC staff to deny his application for a server permit. TABC staff denied Mr. Campbell's application based on a July 29, 2003, conviction for contributing to the delinquency of a minor. The offense involved conduct directed at a 13 year old juvenile for the purpose of sexual arousal. T.C.A. §57-3-704 prohibits the issuance of a server permit to anyone who has been convicted of any sex related crime within eight years of the date of the application.

Discussion/Action Taken:

Lindl Campbell and Shane Brasfield, attorney, were present. Assistant Director Smith stated that Mr. Campbell had submitted an application to the Agency for a server permit in May, 2008, and provided copies of the dispositions for misdemeanor convictions in June, 2003. The charges were contributing to a minor and indecent exposure. The application was denied because the statute prohibits the issuance of a server permit for a period of eight (8) years after a conviction of a sexual related crime. Assistant Director Smith stated that Mr. Campbell's existing server permit is still in effect until December 2008. Assistant Director Smith stated that if the current application was withdrawn, Mr. Campbell would be able to work until that time. Mr. Brasfield stated that Mr. Campbell wishes to withdraw his current application for a server permit card. Mr. Brasfield stated that his client may desire to appear before the Commission at the

December, 2008, Commission meeting. He further stated that if Mr. Campbell wishes to appear before the Commission at the December Commission meeting, that he would prepare a memorandum on sex related offenses. Commissioner Mathews made a motion to allow Mr. Campbell to withdraw his application. Commissioner Bond seconded the motion and it was approved with 3 ayes.

B. JOE BLANKINSHIP—Continued from July 19, 2008 Commission Meeting

In May, 2008, TABC staff denied Mr. Blankenship's application for an employee permit based upon a 2006 conviction for the sale of alcoholic beverages to a minor. T.C.A. §57-3-703 prohibits the issuance of an employee permit if the applicant has been convicted of any crime involving the sale or distribution of alcohol during the eight years prior to the date of the application. The applicant has appealed the denial of his application.

Discussion/Action Taken:

Director Elks stated that this matter was continued from the July Commission meeting due to the opposing attorney's brief that the Commission meeting was going to be held on Thursday as opposed to Wednesday. Mr. Blankenship's attorney, Mr. Andre Mathis, called the office this morning and requested to have a telephone conference call with the Commission, but he has since withdrawn the request, but requested another continuance. Chairman Jones stated that if the Commission approves a continuance, then the Commission cannot extend another continuance beyond the September Commission meeting.

Commissioner Bond made a motion to defer the matter to the September Commission meeting. Commissioner Mathews seconded the motion and it passed with 3 ayes.

C. HAL DOUGLAS MARSHALL

Mr. Marshall is appealing the decision of the TABC staff to deny his application for a server permit. TABC staff denied Mr. Marshall's application based on a July 20, 2004, conviction for trafficking methamphetamine and the intent to distribute methamphetamine. T.C.A. §57-3-704 prohibits the issuance of a server permit to anyone who has been convicted of any crime relating to the sale of a schedule 1 or 2 controlled substance within eight years of the date of the application.

Discussion/Action Taken:

Hal Marshall was present at the meeting. Assistant Director Smith stated that Mr. Marshall submitted an application for a server permit in July 2008. Mr. Marshall disclosed a conviction for trafficking a Schedule II drug with intent to distribute. This violation is under the section of the server permit statute that prevents anyone with a conviction relating to the sale of Schedule II controlled substance from obtaining a server permit for eight (8) years. Therefore, the application was denied by the staff.

Commissioner Mathews made a motion to uphold the staff's denial of the server permit application. Commissioner Bond seconded the motion and it passed with 3 ayes.

5. ADMINISTRATIVE CITATIONS

A. JESSICA MARIE KLAUS (Continued from June, 2008 meeting)

On May 16, 2008, TABC Agent William Gammel observed the Respondent sell an alcoholic beverage to the eighteen year-old confidential operative at the restaurant doing business as On the Border, in Memphis, Tennessee. The Respondent checked the minor's identification, but still sold the alcoholic beverage to the minor. An administrative citation was issued, and remains unresolved at the time of this agenda.

Discussion/Action Taken:

Assistant Director Smith stated that Jessica Marie Klaus has requested to pay the administrative citation and on that basis, Assistant Director Smith requested that the matter be continued to the September meeting in anticipation of payment. Commissioner Mathews made a motion to continue the matter to the September meeting. Commissioner Bond seconded the motion and it was approved with 3 ayes.

B. MIKE WOO

On June 26, 2008, TABC Agent Nina Williamson observed the Respondent sell an alcoholic beverage to the eighteen year-old confidential operative at the restaurant doing business as Asian Palace in Bartlett, Tennessee. The Respondent did not check the minor's identification, but sold the alcoholic beverage to the minor. An administrative citation was issued, and remains unresolved at the time of this agenda.

Discussion/Action Taken:

Assistant Director Smith stated that Mike Woo has paid the administrative citation; therefore, no action is necessary.

C. ROBERT CONNER

On July 16, 2008, TABC Agent Nina Williamson observed the Respondent sell an alcoholic beverage to the eighteen year-old confidential operative at the restaurant doing business as Ruby Tuesday, in Memphis, Tennessee. The Respondent checked the minor's identification, but still sold the alcoholic beverage to the minor. An administrative citation was issued, and remains unresolved at the time of this agenda.

Discussion/Action Taken:

Assistant Director Smith stated that Robert Woo has paid the administrative citation; therefore, no action is necessary.

D. WILLIAM MOL

On July 16, 2008, TABC Agent Nina Williamson observed the Respondent sell an alcoholic beverage to the eighteen year-old confidential operative at the restaurant doing business as The Wine Cellar, in Memphis, Tennessee. The Respondent did not check the minor's identification, but sold the alcoholic beverage to the minor. An administrative citation was issued, and remains unresolved at the time of this agenda.

Discussion/Action Taken:

Assistant Director Smith stated that William Mol wishes to pay the administrative citation but was unable to pay before this date; therefore, Assistant Director Smith requested that the matter be continued to the September meeting.

Commissioner Bond made a motion to continue the matter to the September Commission meeting. Commissioner Mathews seconded the motion and it passed with 3 ayes.

E. MILDRED DAWSON

On July 16, 2008, TABC Agent Nina Williamson observed the Respondent sell an alcoholic beverage to the eighteen year-old confidential operative at the restaurant doing business as TGI Friday's, in Memphis, Tennessee. The Respondent checked the minor's identification, but sold the alcoholic beverage to the minor. An administrative citation was issued, and remains unresolved at the time of this agenda.

Discussion/Action Taken:

Assistant Director Smith stated that Mildred Dawson has paid the administrative citation; therefore, no action is necessary.

- 6. BUDGET**
- 7. CONSENT ORDERS**
- 8. PENDING MATTERS LIST**
- 9. MISCELLANEOUS**
- 10. DATE OF NEXT MEETING** – Wednesday, September 17 and Wednesday, October 15, 2008 at 1:30 p.m.

John A. Jones

Shari Danielle Elks
Executive Director